



United States Department of the Interior

FISH AND WILDLIFE SERVICE

176 Croghan Spur Road, Suite 200
Charleston, South Carolina 29407



November 25, 2008

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WATER
WATER QUALITY DIVISION

Mr. Chris Beckham, Project Manager
Division of Water Quality
S.C. Department of Health
and Environmental Control
2600 Bull Street
Columbia, SC 29201

Re: P/N SAC 2006-3574-SIB-Santee Cooper Generating Station

Dear Mr. Beckham:

The U.S. Fish and Wildlife Service (Service) has reviewed the above-referenced public notice dated October 17, 2008. The applicant has requested a South Carolina Department of Health and Environmental Control (SCDHEC) Water Quality Certification pursuant to Section 401 of the Clean Water Act to construct structures and impact jurisdictional wetlands in and adjacent to waters of the Great Pee Dee River, Florence County, South Carolina. This report is submitted in accordance with provisions of the Fish and Wildlife Coordination Act (48 Stat. 401, as amended; 16 U.S.C. 661 et seq.).

The proposed work consists of constructing a coal-fired steam generating station with associated facilities, a rail line extension, and a transmission corridor. Construction will involve the installation of intake and discharge structures in the Great Pee Dee River adjacent to Bostic Landing. The proposed project would impact 91.46 acres of jurisdictional and non-jurisdictional wetlands. No mitigation plan has been prepared for the proposed project. In addition, no draft or final documents prepared pursuant to the National Environmental Policy Act (NEPA) have been issued for the proposed project.

The proposed site is located across the Great Pee Dee River from the South Carolina Department of Natural Resources (DNR) Marsh Furniture Wildlife Management Area (WMA), and upriver from DNR's Woodbury tract, Waccamaw National Wildlife Refuge, Sandy Island Mitigation Bank and Cape Romain National Wildlife Refuge. These protected areas comprise over 70,000 hectares of connected wildlife corridor spanning from the Pee Dee River to the Atlantic Ocean. The Great Pee Dee River is listed as a 303(d) impaired waterway and contains elevated mercury levels. The Service has serious concerns regarding the proposed power plant's potential additional atmospheric mercury emissions of 92.6 lbs per year (46.3 lbs/year per unit), its

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potential contribution to methylmercury concentrations in the wetlands of South Carolina's coastal plain, and bioaccumulation of mercury in the state's fisheries resources. The proposed power plant's resultant pollution could further exacerbate mercury problems for the species and protected wildlife habitats in the areas surrounding the power plant.

The applicant previously submitted a joint application for the proposed project on December 22, 2006. In our February 1, 2007, joint comment letter, the Service recommended that a full Environmental Impact Statement be prepared, including an updated alternatives analysis for site selection and energy alternatives. The applicant withdrew the Water Quality Certification component of the application on August 9, 2007. They have now resubmitted a request for a 401 Water Quality Certification and Construction in Navigable Waters Permit. Although a number of scoping meetings have been held, no draft or final EIS has been issued. It appears that SCDHEC intends to make a decision on the proposed Water Quality Certification and Construction in Navigable Waters Permit prior to issuance of the draft and final EIS. This is unfortunate, as one of the main benefits of an EIS is that it facilitates effective decision making. We recommend the Bureau of Water use the EIS as a part of their comprehensive review on the potential impacts to water quality and other environmental resources. The EIS includes an analysis of the potential impacts of a proposed action, as well as a range of alternatives, on the human environment. These analyses would likely contribute to SCDHEC's ability to make an effective and informed decision on the proposed project.

In our February 1, 2007, joint comment letter, the Service detailed the important ecological values of the proposed project location and the potential impacts associated with the proposed coal plant. We requested more information on potential impacts to endangered species. Specifically, we requested: (1) a survey of suitable red-cockaded woodpecker habitat within a ½ mile radius of the proposed project site; (2) an adequate survey for shortnose sturgeon conducted according to National Marine Fisheries Service (NOAA Fisheries Service) recommendations; (3) an accurate entrainment study for larval fish; (4) a comprehensive macroinvertebrate and fish population sampling of the Great Pee Dee River; (5) other adequate surveys conducted for additional aquatic species in the project area, such as freshwater mussels; and (6) a detailed geologic analysis of the proposed ash pond sites. The applicant has not submitted this information. However, we expect that this information will be included in the draft EIS.

As discussed in our February 1, 2007, letter, according to the National Academy of Sciences, the Earth's surface temperature has risen by approximately 1 degree Fahrenheit during the past century, with most of the warming taking place during the past two decades. New and stronger evidence indicates that most of this change has occurred during the last 50 years and is attributable to human activities. Coal power plants emit carbon dioxide, one of the leading pollutants linked to climate change. A recent Environmental Appeals Board (EAB) decision in Utah barred the Environmental Protection Agency (EPA) from issuing a permit for a proposed addition to Bonanza Power plant without addressing carbon dioxide emission controls. Similar actions have taken place in other states. Given this knowledge and the possible cumulative impacts of this project, an EIS could examine a range of alternatives related to the proposed power plant's greenhouse gas emissions.

In closing, this project has many outstanding issues that require further consideration. The applicants have not proposed a plan to mitigate for their impacts to wetlands, and the other potential impacts of the proposed project are not yet understood. The Service recommends the permit as proposed be held in abeyance until our concerns (including those provided in our letters and scoping meeting comments) are addressed, the EIS is issued, and SCDHEC has an opportunity to review and consider the EIS in their permit decision process. Thank you for the opportunity to review and comment on the proposed project.

Sincerely,

A handwritten signature in black ink, appearing to read "Ed for EuDaly".

Timothy N. Hall
Field Supervisor

TNH/TKB